

Realty Trust Review

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INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: JANUARY'S MARKET SUGGESTS A WEAK YEAR BUT TRENDS SAY NOT

Since the end of World War II, January stock markets have predicted the direction of the year's stock prices about 90% of the time. For REITs, January trends have predicted the market's direction in five of the last seven years (or about 71% right). This January barometer is one of the most widely watched stock market phenomena, thus guaranteeing that it may become less reliable as time goes on. While the market participants are always looking ahead, they seem to be peering farther ahead in January, thus partly accounting for the phenomenon.

This January stocks generally have been downers, and REITs have also been hit although much less hard and more selectively. While the Dow-Jones Industrials fell 4.6% in the past month, mortgage trusts in our index were off 3.7% and property trusts down only 2.4%. All this suggests that investors should be more discriminating during 1978 with some bias toward property trusts as inflation and lower construction levels raise the value of their underlying bricks and mortar. (As noted in last issue, we've revised our lineup of trusts this issue to distinguish clearly between property trusts and remaining viable mortgage trusts, and between qualified and non-qualified trusts.)

Despite the pessimism of January, underlying trends suggest that 1978 will be a good year for REIT investors. For one thing, earnings reports are starting to show

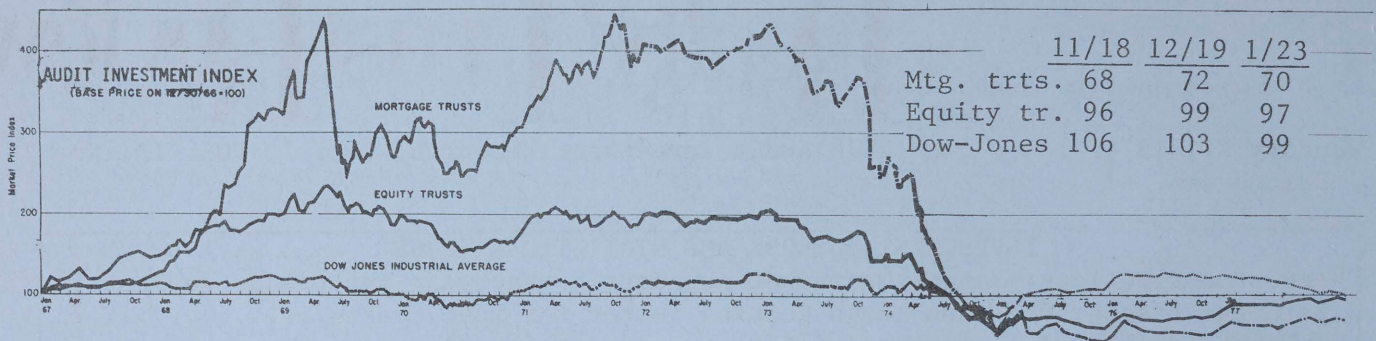
SPECIAL INFORMATIONAL PACKET AVAILABLE

We've developed an 8-page informational packet for our REITs - THE 1978 OUTLOOK seminar of Jan. 27 and have a limited number available at \$15 each for subscribers who cannot attend due to weather, previous commitments, etc. Contents include: Comparative industry balance sheet 1973 and now; Winners & losers during 1977; Speciality plays in trusts; Non-dividend trusts divided by type of bank credit agreement & balance sheet; Summary of recent bond tenders; and Large block buyers of REITs during 1977.

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GROUP RATES ON REQUEST



a surprising number of favorable events (see page 7 for some example). The underlying real estate market obviously is very strong and there appears to be ample money for buyers of distressed properties. Thus while gains on asset swaps to banks are drying up, trusts are making up the gap by capital gains on sales to third parties, repayment of loans that sometimes include collection of past-due interest, and sales of leased land by trusts with subordinated land purchase/leasebacks. In some instances the condominium value of apartments far outstrips its investment value and this fact is letting some trusts report handsome gains. Not everything is peachy in the real estate market, however, and many trusts are still having a struggle with poorly located or overpriced properties.

In looking over the big percentage winners of losers of 1977, it becomes clear that special situations prevail. LMI Investors soared over 800% on a highly successful debt restructuring. Metroplex Realty (formerly Justice) was the big loser on inability to deal with its bondholders. In higher priced trusts, San Francisco RE and Hotel Investors scored impressively as they continued recoveries. Big gainers in the \$1-\$5 price range were largely sparked by big block buying by large investors.

NON-EARNING ASSETS FALL 0.1% IN MONTH BUT STAY AT HIGH 55% OF TRUST ASSETS

Non-earning and low-earning assets dropped very nominally during the month and held at 55% of total assets for the 131 trusts covered in our survey. We are not able to provide breakdowns by our new trust groupings because of time required to revise our computer program. Our tally for the 131 trusts:

---Invested assets---			% Non- and low-earning	Month % change
Number	Non/Low earn.	Total		
TOTALS/AVERAGES..131	\$7,773 M*	\$14,191 M	55%	-0.1%

* Includes \$1.344 million low-earning assets, or 9.5% of total assets.

COLWELL MORTGAGE TRUST: ACKNOWLEDGING A GOOF BUT REPEATING AN OPINION

We goofed in our Jan. 13 issue in saying that subordinated debt holders who accept a pending restructuring via Chapter XI would have no vote for the new class of shares they would receive. Actually these new convertible preferred shares would hold about 51% of the voting power of the trust, if debenture holders and a bankruptcy court accept the plan as proposed.

But the proposal still strikes us as an inequitable treatment of the two classes of debt holders. Banks would get 8% interest on a secured basis while the subordinated debt holders would take a deep discount from par (40% of par for the 8.2s, 34% of par for the 6½s) while giving up accrued interest. The preferred would have no dividend rights over the common shares and its only significant character would be a \$7.50/sh. liquidating preference. We are aware of the many hours spent by Colwell trustees and its Noteholders Protective Committee negotiating this plan but the details are so far out of line with those offered to other trust debenture holders that we repeat: approval seems unwise until these deficiencies are fixed.

JANUARY DIVIDENDS FEATURED FOUR INCREASES WITH NO CUTS

Trusts reporting dividends in January all held the line while four increased. The major hike was by San Francisco Real Estate which raised 10¢ to 30¢ based on anticipated 1978 improvement from liquidation of problem projects and expected completion of the \$4.5 million Orlando loan restructuring. If this restructuring is completed, the loan will accrue retroactive to 1977's fourth quarter but if not, the dividend will return to 20¢.

Henry Miller Realty boosted with underlying operating improvement from its shopping centers and anticipated gains from problem disposal, a foreclosure was contracted for sale. Lomas & Nettleton Mortgage raised as new loans increased the ratio of earning assets. American Equity, a small equity trust, boosted its seasonal payout, up from a year earlier.

	Up	Same	Down	Total	%Change
Jan 4	11	0	15	+ 5%	

-----From previous year-----					
Jan. 7	8	0	15	+23%	

Trust	Record date	Dividend/share-- Latest	Previous	Amt.	Net change-- Percent	Special	Year Ago	% Change
American Equity Inv.	1/20	\$0.16	\$0.16	+\$0.02	+13	---	\$0.15	+20
Commonwealth Realty	1/30	0.20	0.20	---	NC	---	0.20	NC
Conn General MGR	1/27	0.40	0.40	---	NC	---	0.40	NC
Consol. Capital Realty	1/23	0.17M	0.17	---	NC	---	0.1684	+1
Equitable Lf MGR	1/16	0.55	0.55	---	NC	\$0.20	0.55 + .04	Special
Hospital Mortgage	1/16	0.15	0.15	---	NC	---	0.15	NC
JMB Realty	1/12	0.40	0.40	---	NC	---	0.40	NC
Lomas & Nettleton Mtg.	2/3	0.42	0.40	+.02	+5	---	0.21	+100
Miller (Henry S.) Rly.	1/3	0.20	0.15	+.05	+33	---	0.15	+33
New Plan Realty	1/16	0.08M	0.08	---	NC	---	0.075	+7
Northwestern Mut Mtg.	1/23	0.25	0.25	---	NC	---	0.25	NC
PNB Mtg. & Rlty.	1/30	0.20	0.20	---	NC	---	0.10	+100
REIT of America	1/17	0.30	0.30	---	NC	---	0.30	NC
San Francisco REI	2/3	0.30	0.20	+.10	+50	---	0.15	+100
Sutro Mtg.	2/3	0.20	0.20	---	NC	---	0.00	---
United Realty	1/24	0.20	0.20	---	NC	---	0.18	+11
Virginia REIT	2/1	0.10	0.10	---	NC	---	0.10	NC
TOTALS (15 Trusts)b		\$4.05	\$3.86	+\$0.19	+5%		\$3.29	+23%

b-Excludes monthly and special dividends. NC-No change. M-Monthly.

COMPARATIVE TRUST GROUP AVERAGE 1/23/78

GROUP	QUAL	QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY - LARGE	21	0	21	2154	11.44	0.98	1.20	12.48	-1.1	-1.9	10.4	7.9	9.2	10.5	630.5
- SMALL	7	0	7	889	12.65	1.05	1.08	11.89	1.6	1.1	11.0	8.8	-6.0	8.6	69.1
- SUBOR LAND	3	0	3	1862	15.73	0.93	1.41	11.21	-0.6	-5.2	8.0	8.3	-28.7	8.9	51.8
AVERAGE 3 PROP GROUPS			31	1840	12.13	0.99	1.19	12.22	-0.5	-1.5	10.2	8.1	0.8	9.8	751.4
PROP & MTG COMBINATION	15	9	24	2145	9.85	0.32	0.35	6.54	-2.0	-2.2	18.6	4.9	-33.6	3.6	390.0
SHORT-TERM MTG	11	0	11	1756	14.78	0.52	0.57	8.15	-3.6	-1.9	14.4	6.4	-44.9	3.8	183.1
LONG-TERM MTG/PROP	13	0	13	3439	14.82	1.01	0.96	11.18	-2.8	-4.7	11.7	9.0	-24.6	6.5	499.7
MTG/INVOL PROP-MISC	12	8	20	2327	4.13	0.00	0.35	2.64	1.9	-2.1	7.6	0.0	-36.1	8.4	116.7
-BANK	0	17	17	2125	1.79	0.00	0.22	2.03	1.8	0.6	9.3	0.0	13.0	12.2	67.5
-INDEPEND	0	26	26	3405	-0.43	0.00	0.19	1.28	2.2	-3.4	6.8	0.0	NEG.	-42.7	93.9
AVERAGE 3 MTG/INVOL PROP			63	2717	1.62	0.00	0.25	1.91	1.0	-1.7	7.7	0.0	18.4	15.3	278.1
OVERALL AVERAGE	82	60	142	2421	7.53	0.40	0.56	6.47	-1.1	-2.2	11.5	6.2	-14.1	7.5	2102.9

DOW-JONES INDUSTRIAL AVERAGE

89.86 770.70 -4.6 -7.2 8.6 6.0

*Latest quarter annualized

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	CHANGE	YIELD
ATICO MTG-C#	NY	6.75	'82f	16.9	66.50	-0	10
BT MTG INV-C	OC	5.75	'82	20.0	67.00	1	8
BARNETT MTG-C	OC	6.75	'91f	17.3	27.00	8	25
BARNETT MTG-CD	OC	8.50	'98f	30.0	37.00	15	23
BARNETT-WIN-CE	OC	8.25	'98f	30.0	53.00	3	15
BAY COLONY PROP-C	NY	8.50	'81f	23.0	77.00	8	11
CHASE MAN TR-A	NY	7.88	'78	36.7	96.50	1	8
CHASE MAN TR-C	NY	7.50	'83	41.2	65.50	-5	11
CITIZENS RLTY-C#	OC	6.75	'78	30.0	38.00	0	17
CITIZENS MTG INV-B	OC	8.50	'80	20.0	32.00	3	26
COLWELL MTG-B	OC	8.20	'80	25.0	36.00	-5	22
CONT ILL RLTY-B	NY	7.63	'79	25.0	86.25	0	8
COUSINS M&E-C	NY	6.50	'82f	30.0	50.00	-9	13
FIRST MTG INV-A	OC	6.75	'82	12.6	37.00	-17	18
FIRST MTG INV-A	OC	8.25	'77	0.4	65.00	8	12
FIRST NEWPORT-B	OC	8.75	'79	7.0	72.00	4	12
FIRST VIRGINIA-B	OC	8-12f	'80	5.0	73.00	9	11
FIRST VIRGINIA M	OC	4.00	'80	15.0	65.00	4	6
GHR PROPERTIES-C	AS	7.70	'80	20.0	83.00	-2	9
GREAT AMER MGMT-B	OC	7.75	'79f	25.0	11.00	0	VJ
GREAT AMER MGMT-C	OC	8.75	'83f	25.0	8.63	-4	VJ
GUARDIAN MTG-B	OC	7.50	'79f	25.0	29.00	20	25
GUARDIAN MTG-C#	OC	6.75	'86f	8.6	19.00	16	35
IDS REALTY-H	OC	---	---	169.8	68.00	47	NC

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	CHANGE	YIELD
INSTITNL INV-B	NY	7.88	'80	20.0	81.00	0	9
JUSTICE MTG-B	OC	7.75	'79f	9.6	33.00	-13	VJ
LMI INVESTORS-C	NY	6.75	'82f	9.2	70.25	1	9
MIDLAND MTG-B	NY	8.00	'80f	17.1	72.00	-1	11
MTG INV WASH-B	OC	9.25G	'80	15.0	62.00	5	14
NJB PRIME INV-C#	OC	7.00	'80f	12.9	20.00	33	35
NATIONWIDE RE-C	OC	7.00	'91	6.5	69.50	2	10
NO AMER MTG-B	OC	8.50	'87	12.1	78.00	0	10
NO AMER MTG-C	NY	5.50	'79	16.3	90.88	2	6
SAUL (B.F.)-C	NY	8.50	'80	25.0	90.00	0	9
STATE MUT INV-B	OC	9.00	'80f	6.2	91.00	-2	9
SECURITY MTG-C#	AS	7.25	'82	50.0	85.25	0	8
SECURITY MTG-C#	OC	6.00	'82	17.1	67.00	0	9
TRI-SOUTH MTG-B	NY	7.75	'80f	25.0	56.00	-3	13

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-CONVERTIBLE AT \$39 TILL 9/1/78 WHEN PRICE MAY BE ADJUSTED. E-CONVERTIBLE AT \$31 TILL 12/1/78 WHEN PRICE WILL BE ADJUSTED. F-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. G-VARIABLE RATE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES, A-E: 6-7/8, 7-1/8, 7-3/8, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.

X-SUSPENDED BY EXCHANGE.

#-MAY BE USED AT PAR TO EXERCISE WARRANTS. f-Trades flat

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE FROM- MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
PROPERTY TRUSTS-QUAL REITS-OVER \$25M ASSETS														
AMER EQUITY IT#	O-AEQTS	2497	6.36	0.55	↑ SEP	0.71	5.75 X	7.8	0.0	8.1	9.6	-9.6	11.2	14.4
API TRUST	O-APITS	1012	8.00	0.00	SEP	0.00	3.63	-9.2	-14.6	0.0	0.0	-54.6	0.0	3.7
COMMONWLT RLTY #	O-CRTYC	1180	6.86	0.80	← AUG	1.01	9.00	0.0	0.0	8.9	8.9	31.2	14.7	10.6
CONSOL CAP RLY#	O-CCPLS	1989	19.63	2.04	← AUG	2.40	26.50 X	4.6	-1.9	11.0	7.7	35.0	12.2	52.7
CONT ILL PROP#	N-CIE	4808	20.58	1.28	OCT	1.04	↓ 14.38	-11.5	-7.2	13.8	8.9	-30.1	5.1	69.1
DENVER REIA	O-DENVS	1091	8.01	0.60	SEP	1.28	8.50	0.0	1.4	6.6	7.1	6.1	16.0	9.3
FEDERAL REALTY	A-FRT	1357	9.59	1.28	SEP	1.03	15.00	-6.2	-7.7	13.9	8.5	56.4	11.3	20.4
FIRST FIDELITY#	O-FFITS	866	10.54	0.40	AUG	0.60	5.75	-9.9	2.1	9.6	7.0	-45.4	5.7	5.0
FIRST UNION RE	N-FUR	4230	8.81	1.04	JUL	1.36	12.75 X	3.0	-1.0	9.4	8.2	44.7	15.4	53.9
FLORIDA GULF#	O-FGLFS	975	15.02	1.28	OCT	1.44	13.75	0.0	-1.8	9.5	9.3	-8.5	9.6	13.4
GENERAL GROWTH#	N-GGP	6202	6.34	1.48	SEP	1.88	23.00 X	-3.1	-4.7	12.2	6.4	262.8	29.7	142.6
GOULD INVESTOR#	A-GTR	1174	6.91	0.68	SEP	0.84	7.00	-1.8	0.0	8.3	9.7	1.3	12.2	8.2
GREIT REALTY #	A-GRT	998	11.11	0.40	JUL	1.56	6.63 X	7.7	3.9	4.3	6.0	-40.3	14.0	6.6
HUBBARD RFI	N-HRE	4004	22.10	1.28	OCT	1.48	17.13	-3.5	-3.5	11.6	7.5	-22.5	6.7	68.6
NEW PLAN RLTY#	O-NPLNS	1690	3.93	0.96	← JUL	0.88	12.50 X	0.6	2.0	14.2	7.7	218.1	22.4	21.1
PENN REIT #	A-PEI	1516	12.11	1.25	NOV	2.35	↓ 14.88	0.0	4.4	6.3	8.4	22.9	19.4	22.6
PRUDENT REIT	A-PRU	3217	2.88	0.20	NOV	0.26	2.63	0.0	0.0	10.1	7.6	-8.7	9.0	8.5
REIT OF AMERICA	A-REI	1633	21.05	1.20	← NOV	1.31	↑ 14.75 X	2.0	1.7	11.3	8.1	-29.9	6.2	24.1
SAN FRAN RE #	A-SFI	1364	20.09	1.20	↑ SEP	0.92	14.75	0.8	-2.5	16.0	8.1	-26.6	4.6	20.1
UNIVERSITY REIT	O-URETS	1907	8.71	0.96	SEP	1.14	10.75	2.4	2.4	9.4	8.9	23.4	13.1	20.5
WASH REIT #	A-WRE	1516	11.55	1.80	SEP	1.76	23.13	-3.6	-4.1	13.1	7.8	100.3	15.2	35.1
GROUP AVERAGE		2154	11.44	0.98		1.20	12.48	-1.1	-1.9	10.4	7.9	9.2	10.5	630.5

PROPERTY TRUSTS-QUAL REITS-SPECIALITY PROPS & UNDER \$25M ASSETS														
GENERAL RE #	O-GRELS	557	6.94	0.00	SEP	0.16	6.00	4.3	0.0	37.5	0.0	-13.5	2.3	3.3
HOTEL INVESTORS	A-HOT	1545	17.55	1.68	NOV	1.96	↑ 16.88 X	-1.9	-0.7	8.6	10.0	-3.8	11.2	26.1
PITTS & W VA RA	A-PW	1510	22.46	0.56	SEP	0.80	7.38	-4.8	-6.3	9.2	7.6	-67.1	3.6	11.1
RE INV PROPS	O-REIPS	480	16.00	1.92	SEP	1.72	20.00	0.0	0.0	11.6	9.6	25.0	10.8	9.6
REIT OF CALIF	O-RTCAL	550	9.28	1.20	NOV	1.34	13.00	4.0	4.0	9.7	9.2	40.1	14.4	7.2
TERRYDALE RT	O-TRYLS	336	13.20	1.48	SEP	1.08	14.50	9.4	7.4	13.4	10.2	9.8	8.2	4.9
US EQUITY & MTG	O-USEM	1246	3.11	0.48	JUL	0.52	5.50	0.0	0.0	10.6	8.7	76.8	16.7	6.9
GROUP AVERAGE		889	12.65	1.05		1.08	11.89	1.6	1.1	11.0	8.8	-6.0	8.6	69.1

PROPERTY TRUSTS-QUAL REITS-SUBOR LAND LEASEBACK														
ICM REALTY	A-ICM	3011	14.32	0.00	AUG	0.60	6.63	0.0	-5.3	11.1	0.0	-53.7	4.2	20.0
JMB REALTY #	0-JMBRS	510	19.19	1.60	← AUG	2.42	15.38 X	2.6	-6.8	6.4	10.4	-19.9	12.6	7.8
PROPERTY CAPITL	A-PCL	2065	13.67	1.20	OCT	1.20	11.63	-5.1	-3.1	9.7	10.3	-14.9	8.8	24.0
GROUP AVERAGE		1862	15.73	0.93		1.41	11.21	-0.6	-5.2	8.0	8.3	-28.7	8.9	51.8

PROPERTY & MTG COMBINATION-QUAL REITS														
BANKAMER RLTY	0-BRLTS	3547	16.55	0.60	OCT	1.41	10.63	-3.4	1.2	7.5	5.6	-35.8	8.5	37.7
BRT REALTY	A-BRT	1400	3.58	0.00	AUG	0.00	0.81	8.0	17.4	0.0	0.0	-77.4	0.0	1.1
CONN GEN M&R#	N-COM	5715	19.25	1.60	←SEP	1.35	18.63 X	-8.9	-11.3	13.8	8.6	-3.2	7.0	106.5
FLATLEY REALTY	0-FLITS	1000	6.84	0.00	SEP	0.12	3.00	-14.3	-7.7	25.0	0.0	-56.1	1.8	3.0
INDIANA M&R #	0-INDMS	1154	8.42	0.00	SEP	0.48	3.38	-6.9	-3.4	7.0	0.0	-59.9	5.7	3.9
INVESTORS RL#	A-IRT	1579	10.40	0.50	AUG	0.00	7.00	-13.9	-6.7	0.0	7.1	-32.7	0.0	11.1
MILLER HENRY S	0-HSMTS	560	16.83	0.80	↑NOV	0.16	↓10.00 X	2.0	0.0	62.5	8.0	-40.6	1.0	5.6
MORTGAGE GROWTH	A-MTG	2652	10.64	0.48	AUG	0.20	6.00 X	4.1	4.3	30.0	8.0	-43.6	1.9	15.9
PROP TR AMER	0-PTRAS	2506	7.25	0.24	SEP	0.20	5.50	4.8	7.2	27.5	4.4	-24.1	2.8	13.8
REALTY INCOME	A-RIT	1566	11.50	1.40	OCT	0.01	13.00	2.0	0.9	1300.0	10.8	13.0	0.1	20.4
RIVIERE RLTY #	0-RIVI6	783	8.47	0.50	SEP	0.84	5.50 X	2.3	0.0	6.5	9.1	-35.1	9.9	4.3
SAUL (BF) REIT	N-BFS	5845	6.06	0.00	SEP	0.00	3.63	-14.6	-14.6	0.0	0.0	-40.1	0.0	21.2
US BANCORP #	A-UBT	840	16.49	0.00	NOV	0.32	↓9.88	-1.2	-1.2	30.9	0.0	-40.1	1.9	8.3
VIRGINIA REIT#	0-VARES	1251	10.30	0.40	←SEP	0.64	7.75	0.0	0.0	12.1	5.2	-24.8	6.2	9.7
WELLS FARGO M&E	N-WFM	3911	17.37	1.20	DEC	1.56	↑13.13	-3.7	-0.9	8.4	9.1	-24.4	9.0	51.4
GROUP AVERAGE		2287	11.33	0.51		0.49	7.86	-3.4	-2.6	16.2	6.6	-30.7	4.3	313.9

SHORT TERM MTG-QUAL REITS-MTG BANKER & MISC FIN SPONSOR															
BAIRD & WARNER	O-BALDS	1043	16.76	0.14	OCT	0.00	6.25	-7.4	4.2	0.0	2.2	-62.7	0.0	6.5	
CENTRAL MTG	O-CMRTS	775	11.95	0.00	SEP	0.00	4.13	3.3	6.4	0.0	0.0	-65.4	0.0	3.2	
FIRST CONTNL	O-FCRES	2106	10.27	0.92	NOV	0.92	8.00 X	-3.2	-5.9	8.7	11.5	-22.1	9.0	16.8	
FRASER MTG	O-FRASS	1038	16.40	1.00	NOV	1.00	↑11.50 X	-7.8	2.2	11.5	8.7	-29.9	6.1	11.9	
HANOVER SQ RLTY	A-HSQ	946	10.77	0.00	NOV	0.31	↑ 5.25	0.0	0.0	16.9	0.0	-51.3	2.9	5.0	
LOMAS & NETLTN	N-LOM	3700	27.74	1.68	↑ DEC	1.68	↑ 19.13	-4.3	-3.8	11.4	8.8	-31.0	6.1	70.8	
M&T MORTGAGE	O-MMTS	1482	10.26	1.04	NOV	1.12	10.25	2.5	2.5	9.2	10.1	-0.1	10.9	15.2	
MTG TRUST AMER	N-MT	3860	12.11	0.00	NOV	0.25	↑ 5.75	-2.2	-4.2	23.0	0.0	-52.5	2.1	22.2	
NATIONWIDE RE	O-NRELS	1047	24.09	0.16	SEP	0.16	7.50	-3.2	-6.2	46.9	2.1	-68.9	0.7	7.9	
SUTRO MTG INV	N-SUT	2322	15.38	0.80	← DEC	0.48	↓ 8.88	-6.5	-5.3	18.5	9.0	-42.3	3.1	20.6	
WESTERN MTG	O-WMTGS	1002	6.82	0.00	NOV	0.30	3.00	-4.2	-7.7	10.0	0.0	-56.0	4.4	3.0	
GROUP AVERAGE			1756	14.78	0.52		0.57	8.15	-3.6	-1.9	14.4	6.4	-44.9	3.8	183.1

LONG-TERM MTGS & PROPERTIES-QUAL REITS														
BT MTG INVSTRS	N-BTM	2116	-3.17	0.00	SEP	0.00	2.13	0.0	-5.3	0.0	0.0	NEG.	0.0	4.5
DELAWARE VLY*	O-DVRMS	904	10.01	1.38	SEP	1.34	12.50	-7.4	-7.4	9.3	11.0	24.9	13.4	11.3
EQUIT LF MTG	N-EQ	5637	23.71	2.40	↑ OCT	1.92	24.13 X	-1.0	-7.7	12.6	9.9	1.8	8.1	136.0
HOSPITAL MTG	A-HMG	1178	22.74	0.60	← NOV	0.52	↓ 8.88 X	1.7	-2.7	17.1	6.8	-60.9	2.3	10.5
MASSMUTUAL MTG	N-MML	4670	19.44	1.24	OCT	1.26	14.25	-5.8	-7.3	11.3	8.7	-26.7	6.5	66.5
MONY MTG INV	N-MYM	8906	9.79	0.92	NOV	0.64	9.63 X	-6.1	-3.7	15.0	9.6	-1.6	6.5	85.8
NONSTRN MUT MT	N-NML	4758	19.05	1.00	← DEC	0.68	↓ 11.00 X	-7.3	-10.2	16.2	9.1	-42.3	3.6	52.3
PACIFIC SO MTG	O-PSMTS	800	11.95	0.60	SEP	0.64	7.75	19.2	14.8	12.1	7.7	-35.1	5.4	6.2
PNB MTGS & RL#	N-PNI	2437	18.76	0.80	← SEP	1.28	10.25	-6.8	-4.7	8.0	7.8	-45.4	6.8	25.0
REALTY REFUND	A-RRF	1309	18.67	2.20	OCT	2.20	21.00	1.2	0.0	9.5	10.5	12.5	11.8	27.5
RLTY & MTG PAC	O-RFPCS	1890	18.00	1.20	NOV	1.16	11.63 X	-6.4	-6.1	10.0	10.3	-35.4	6.4	22.0
SECURITY MTG	A-SMO	6487	6.07	0.00	SEP	0.00	2.88	-4.0	-4.0	0.0	0.0	-52.6	0.0	18.7
UNITED REALTY	A-URT	3610	17.60	0.80	← NOV	0.80	← 9.25 X	-5.5	-6.4	11.6	8.6	-47.4	4.5	33.4
GROUP AVERAGE		3439	14.82	1.01		0.96	11.18	-2.8	-4.7	11.7	9.0	-24.6	6.5	499.7

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. NEG.-NEGATIVE BOOK VALUE. V -IN BANKRUPTCY REORGANIZATION.
 ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR
 QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. P-PHILADELPHIA EXCHANGE. WESTERN MTG. ALSO TRADES ON
 BOSTON EXCH.
 AMERICAN EQUITY INV. & COMMONWEALTH REALTY DIVIDENDS AND EARNINGS TRAILING 12 MONTHS.
 JUSTICE MTG CHANGED TO METROPLEX REALTY

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON ANN*	LAST PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)	
MTG & INVOL PROPERTY-QUAL TRUSTS-MISC SPONSOR														
AMER CENTURY MI	N-ACT	2607	5.42	0.00	SEP	0.00	2.75	-8.3	-12.1	0.0	0.0	-49.3	0.0	7.2
BENEF STD MTG	N-BSM	1355	0.10	0.00	OCT	0.00	1.63	0.0	0.0	0.0	0.0	1530.0	0.0	2.2
CITINATL DEV	O-CITI6	600	13.15	0.00	SEP	0.04	6.25	0.0	0.0	156.3	0.0	-52.5	0.3	3.8
COLWELL MTG	O-CLM	2030	-2.34	0.00	SEP	0.00	0.75	97.4	-6.2	0.0	0.0	-132.1	0.0	1.5
CONT ILL RLTY	N-CIR	2797	1.43	0.00	SEP	1.31	3.13	-3.7	-3.7	2.4	0.0	NEG.	91.6	8.8
FIRST COMMERCE	O-FCRNS	1008	10.99	0.00	SEP	0.00	4.75	-9.5	-9.5	0.0	0.0	-56.8	0.0	4.8
HEITMAN MTG	A-HTM	3292	2.73	0.00	SEP	0.00	1.25	0.0	-16.7	0.0	0.0	-54.2	0.0	4.1
MIDLAND MTG	N-MMT	2382	0.25	0.00	SEP	0.00	1.38	22.1	10.4	0.0	0.0	452.0	0.0	3.3
MISSION INV TR	A-MIT	1812	4.80	0.00	AUG	0.00	1.75	7.4	0.0	0.0	0.0	-63.5	0.0	3.2
NORTH AMER MTG	N-NAM	4401	9.74	0.00	SEP	0.00	4.00	0.0	6.7	0.0	0.0	-58.9	0.0	17.6
TMC MORTGAGE	O-TMG	800	-1.56	0.00	SEP	0.00	0.88	76.0	83.3	0.0	0.0	NEG.	0.0	0.7
WACHOVIA RLTY	N-WRI	3335	10.37	0.00	NOV	0.00	4.63	0.0	2.9	0.0	0.0	-55.4	0.0	15.4
GROUP AVERAGE		2202	4.59	0.00		0.11	2.76	0.8	-1.2	24.6	0.0	-39.8	2.5	72.6
PROP & MTG COMBINATION-NON-QUAL TRUSTS (MOST INDEPENDENT)														
AMER REALTY	O-ARB	2222	2.66	0.00	JUN	0.00	2.00	0.0	72.4	0.0	0.0	-24.8	0.0	4.4
BAY COLONY PROP	N-BAY	2992	6.95	0.00	NOV	0.00	2.63	5.2	-4.4	0.0	0.0	-62.2	0.0	7.9
C I REALTY #	N-CIX	2609	16.70	0.00	NOV	0.02	9.25	1.3	-13.0	462.5	0.0	-44.6	0.1	24.1
CITIZENS GROWTH	O-CITGS	811	7.74	0.00	JUL	0.00	2.50	42.9	42.9	0.0	0.0	-67.7	0.0	2.0
FRANKLIN RLTY	A-FR	999	7.44	0.00	SEP	0.04	5.00	0.0	-2.5	125.0	0.0	-32.8	0.5	5.0
SUMMIT PROP #	O-SMMTS	1549	7.00	0.00	JUL	0.45	3.50	-12.5	-12.5	7.8	0.0	-50.0	6.4	5.4
US REALTY #	N-UTY	3434	4.03	0.00	SEP	0.48	4.88	-4.9	0.0	10.2	0.0	21.1	11.9	16.8
WALTER RLTY #	O-WALJS	1035	8.38	0.00	OCT	0.00	5.38	7.6	2.5	0.0	0.0	-35.8	0.0	5.6
WISCONSIN REIT	O-WREIS	1514	5.39	0.00	SEP	0.09	3.88	3.5	0.0	43.1	0.0	-28.0	1.7	5.9
GROUP AVERAGE		1907	7.37	0.00		0.12	4.34	2.0	-1.0	36.1	0.0	-41.1	1.6	77.1
MTG & INVOL PROP-NON-QUAL TRUSTS-INDEPENDENT MGMT														
BUILDERS INV	O-BULDS	2929	-2.46	0.00	SEP	0.54	1.00	6.4	-11.5	1.9	0.0	NEG.	-22.0	2.9
CAPITAL MTG	P-CMU	1675	-1.36	0.00	SEP	0.00	0.75	-7.4	-7.4	0.0	0.0	NEG.	0.0	1.3
V CONTINENTAL MTG	O-CMI	20838	-3.47	0.00	DEC	0.92	0.18	38.5	-28.0	0.2	0.0	NEG.	-26.5	3.8
COUSINS M&E	N-CUZ	3854	1.24	0.00	NOV	0.00	1.50	0.0	0.0	0.0	0.0	21.0	0.0	5.8
DIVERSIFIED MTG	N-DMG	7327	5.51	0.00	SEP	0.00	2.50	11.1	-4.9	0.0	0.0	-54.6	0.0	18.3
V DOMINION M&R	O-DMRTS	639	-10.59	0.00	AUG	0.00	0.25	0.0	0.0	0.0	0.0	NEG.	0.0	0.2
V FIDELITY MTG	O-FID	3046	-17.83	0.00	JUL	0.42	0.63	80.0	40.0	1.5	0.0	NEG.	-2.4	1.9
FIRST MORTGAGE	O-FMTGS	8495	-6.35	0.00	JUL	0.17	0.44	15.8	-21.4	2.6	0.0	NEG.	-2.7	3.7
FIRST NEWPORT R	O-FNRS	2339	4.89	0.00	JUL	1.16	1.38	10.4	-4.2	1.2	0.0	-71.8	23.7	3.2
FIRST VIR REIT	O-FVM	1208	2.95	0.00	SEP	0.06	1.63	18.1	8.7	27.2	0.0	-44.7	2.0	2.0
V GREAT AMER M&I	O-GAA	4456	-12.55	0.00	OCT	0.00	0.35	133.3	40.0	0.0	0.0	NEG.	0.0	1.6
GUARDIAN MTG	P-GMI	3000	-12.32	0.00	NOV	0.00	0.63	0.0	0.0	0.0	0.0	NEG.	0.0	1.9
HAMILTON INV	O-HAMTS	2095	5.63	0.00	SEP	0.20	1.88	-11.7	0.0	9.4	0.0	-66.6	3.6	3.9
INSTITUTIONAL	N-INV	6074	4.68	0.00	OCT	0.00	1.88	0.0	-21.0	0.0	0.0	-59.8	0.0	11.4
KENTUCKY PROPTY	O-KMTGS	1100	1.62	0.00	AUG	0.00	1.13	13.0	13.0	0.0	0.0	-30.2	0.0	1.2
LINCOLN MTG*	O-LNMGs	1155	0.55	0.00	SEP	0.00	1.31	4.8	-5.1	0.0	0.0	138.2	0.0	1.5
V METROPLEX RLTY	O-JMI	1184	0.54	0.00	JUN	0.00	0.38	-24.0	-32.1	0.0	0.0	-29.6	0.0	0.4
MTG INV WASH	O-MINVS	2146	5.74	0.00	SEP	0.00	2.38	-4.8	-4.8	0.0	0.0	-58.5	0.0	5.1
NATIONAL MTG	O-NMF	3708	1.98	0.00	AUG	0.03	0.56	-6.7	0.0	18.7	0.0	-71.7	1.5	2.1
NJB PRIME INV	O-NJB	1330	-5.05	0.00	AUG	0.34	0.35	84.2	12.9	1.0	0.0	NEG.	-6.7	0.5
PLAZA REALTY	O-PNE	1114	1.34	0.00	SEP	0.00	0.88	27.5	-6.4	0.0	0.0	-34.3	0.0	1.0
REPUBLIC MTG	N-RMI	2107	4.63	0.00	SEP	0.00	2.25	0.0	0.0	0.0	0.0	-51.4	0.0	4.7
TEXAS FIRST MTG	O-TFMRs	1055	7.76	0.00	SEP	0.00	2.50	-4.9	-4.9	0.0	0.0	-67.8	0.0	2.6
TIERCO	O-TIERS	1161	5.33	0.00	SEP	0.98	1.75	16.7	16.7	1.8	0.0	-67.2	18.4	2.0
UMET TRUST	N-UAT	2109	1.91	0.00	AUG	0.00	2.88	-11.4	-4.0	0.0	0.0	50.8	0.0	6.1
WESTPORT CO	O-WSPTS	2388	4.19	0.00	JUL	0.09	2.00	-11.1	-11.1	22.2	0.0	-52.3	2.1	4.8
GROUP AVERAGE		3405	-0.43	0.00		0.19	1.28	2.2	-3.4	6.8	0.0	NEG.	-42.7	93.9
MTG & INVOL PROP--NON-QUAL TRUSTS--COMCL BANK SPONSOR														
AMER FLETCHER M	O-AFM	1352	-1.84	0.00	OCT	0.00	0.88	39.7	0.0	0.0	0.0	NEG.	0.0	1.2
BARNETT MTG	O-BMT	2174	-10.57	0.00	SEP	0.00	0.53	39.5	6.0	0.0	0.0	NEG.	0.0	1.2
BARNETT-WINSTON	O-BWITS	1663	-0.44	0.00	SEP	0.96	0.88	-12.0	0.0	0.9	0.0	NEG.	-218.2	1.5
CAMERON-BROWN	N-CB	2016	7.90	0.00	SEP	0.00	2.63	0.0	0.0	0.0	0.0	-66.7	0.0	5.3
CHASE MAN MTG	N-CMR	4886	-0.27	0.00	NOV	0.00	1.88	7.4	0.0	0.0	0.0	NEG.	0.0	9.2
CITIZENS MTG	O-CZM	1421	-14.60	0.00	SEP	0.00	0.25	0.0	-13.8	0.0	0.0	NEG.	0.0	0.4
CITIZNS&SO RLTY	O-CZS	3829	-3.80	0.00	SEP	0.00	0.75	8.7	19.0	0.0	0.0	NEG.	0.0	2.9
CLEVELAND TRUST	O-CTRIS	2525	9.83	0.00	SEP	0.00	3.38	-3.4	-9.9	0.0	0.0	-65.6	0.0	8.5
FIDELCO GROWTH	A-FGI	1580	6.71	0.00	AUG	0.00	2.38	5.8	5.8	0.0	0.0	-64.5	0.0	3.8
FIRST DENVER MI	O-FDENS	1621	3.83	0.00	DEC	2.56	2.63	16.9	16.9	1.0	0.0	-31.3	66.8	4.3
FIRST MEMPHIS	O-FMEMS	1156	3.70	0.00	AUG	0.00	1.50	-8.0	0.0	0.0	0.0	-59.5	0.0	1.7
FIRST PENN MTG	N-FPM	2961	3.43	0.00	OCT	0.00	1.50	-8.0	-14.3	0.0	0.0	-56.3	0.0	4.4
FIRST WISCONSIN	O-FWMTS	1910	5.57	0.00	SEP	0.00	2.00	0.0	0.0	0.0	0.0	-64.1	0.0	3.8
INDEPENDENCE MT	O-IMTGS	2500	-4.01	0.00	SEP	0.00	0.63	0.0	-4.5	0.0	0.0	NEG.	0.0	1.6
MARYLAND REALTY	O-MDRTS	760	8.16	0.00	AUG	0.20	3.38	-3.4	-3.4	16.9	0.0	-58.6	2.5	2.6
NW FINANCIAL IN	O-NFINS	1510	14.19	0.00	SEP	0.00	7.75	1.6	5.0	0.0	0.0	-45.4	0.0	11.7
TRI-SOUTH MTG	N-TSI	2260	2.71	0.00	DEC	0.00	1.50	0.0	0.0	0.0	0.0	-44.6	0.0	3.4
GROUP AVERAGE		2125	1.79	0.00		0.22	2.03	1.8	0.6	9.3	0.0	13.0	12.2	67.5
MTG & INVOL PROP--NON-QUAL TRUSTS--MISC FIN SPONSORS														
ATICO MTG	N-ACO	2706	5.68	0.00	JUL	0.00	2.63	5.2	0.0	0.0	0.0	-53.7	0.0	7.1
ATLANTA NATL	O-ATNAS	1273	8.81	0.00	NOV	0.00	3.63	7.4	7.4	0.0	0.0	-58.8	0.0	4.6
BARNES MTG INV	O-BARNS	1910	11.72	0.00	SEP	0.00	2.63	5.2	-4.4	0.0	0.0	-77.6	0.0	5.0
CI MTG GROUP	P-CI	4812	-1.00	0.00	JUL	0.00	0.75	33.9	8.7	0.0	0.0	NEG.	0.0	3.6
GMR PROP	N-GMR	2210	3.51	0.00	NOV	0.00	2.00	-6.1	-6.1	0.0	0.0	-43.0	0.0	4.4
IDS REALTY	O-IDR	2409	-11.79	0.00	OCT	5.56	1.38	10.4	-17.9	0.2	0.0	NEG.	-47.2	3.3
LMI INVESTORS	N-LME	2009	3.43	0.00	SEP	0.00	3.00	0.0	-14.3	0.0	0.0	-12.5	0.0	6.0
STATE MUTUAL	N-SMU	2786	7.14	0.00	SEP	0.00	3.63	0.0	0.0	0.0	0.0	-49.2	0.0	10.1
GROUP AVERAGE		2514	3.44	0.00		0.70	2.46	3.7	-3.6	3.5	0.0	-28.5	20.2	44.1

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
AMER CENTURY	AS	'90	7.00	21.00	66.50	10.5	-2.1	13.96	2.75
AMER CENTY'B	NY	'91	6.75	28.00	65.75	10.3	-2.1	18.41	2.75
AMER REALTY	OC	'84f	7.00	10.40	46.00	15.2	0.0	4.78	2.00
BAIRDWARNER	OC	'91	6.75	21.00	67.00	10.1	-4.2	14.07	6.25
BANKAMERICA	OC	'90	6.75	21.00	80.00	8.4	-2.3	16.80	10.63
BENEF STD MI	AS	'91f	6.50	27.75	48.00	13.5	-3.9	13.32	1.63
CAPITAL MTG	OC	'91f	6.50	33.00	44.00	14.8	-2.1	14.52	0.75
CHASE MANHTN	NY	'96	6.50	55.00	51.25	12.7	-6.7	28.18	1.88
CHASE MANHTN	OC	'97	11.63	2.25	98.00	11.9	3.2	2.20	1.88
COLWELL MTG	OC	'91f	6.50	29.38	31.00	21.0	-3.0	9.10	0.75
CONN GENERAL	NY	'96	6.00	32.50	73.25	8.2	-4.1	23.80	18.63
CONINTL MTG	OC	'90f	6.25	19.79	11.00	56.8	-15.3	2.17	0.18
EQUITBL LF M	NY	'90	6.75	26.25	94.63	7.1	-1.5	24.84	24.13
FIDELITY MI	OC	'85f	7.75	21.25	8.00	96.9	-19.9	1.70	0.63
FIRST PENN M	OC	'91	6.75	26.00	50.00	13.5	-1.9	13.00	1.50
FIRST UNION	NY	'91	7.00	13.00	97.63	7.2	5.0	12.69	12.75
FRANKLIN RLY	AS	'89	7.00	10.00	75.63	9.3	-4.2	7.56	5.00
FST NEWPORT	OC	'91f	6.75	27.50	46.00	14.7	-2.0	12.65	1.38
GRT AMER MI	OC	'91f	7.00	35.50	6.00	116.7	-24.9	2.13	0.35
HANOVER SQ R	AS	'92	7.25	21.00	74.13	9.8	0.0	15.56	5.25
HEITMAN MTG	AS	'92	7.50	14.70	67.00	11.2	-0.1	9.84	1.25
HOTEL INVSTR	OC	'90	7.75	21.00	84.00	9.2	0.0	17.64	16.88
HOTEL INVTRS	OC	'91	7.50	25.25	76.00	9.9	-2.5	19.19	16.88
LINCOLN MTG	OC	'90	8.00	11.00	58.00	13.8	5.5	6.38	1.31
MASSMUTL MTG	NY	'90	6.75	21.00	84.25	8.0	-0.2	17.69	14.25
MASSMUTUAL M	NY	'91	6.25	33.50	78.13	8.0	-0.1	26.17	14.25
MIDLAND MTG	OC	'86f	7.00	16.67	50.00	14.0	9.3	8.33	1.38
MONY MTG IN	NY	'90	7.00	11.00	89.00	7.9	-4.3	9.79	9.63
MTG INV WASH	OC	'90	8.00	15.00	62.00	12.9	5.1	9.30	2.38
NATIONAL MTG	OC	'91f	7.00	12.00	7.00	100.0	-12.4	0.84	0.56
NJB PRIME	OC	'91f	6.75	21.00	20.00	33.8	33.3	4.20	0.35
NOWSTRN MUTL	NY	'91	6.00	21.00	77.75	7.7	0.2	16.32	11.00
RAM PACIFIC	OC	'91	6.75	21.00	74.00	9.1	0.0	15.54	11.63
REALTY INCOM	AS	'91	8.00	18.00	85.00	9.4	-1.1	15.30	13.00
REPUBLIC MI	NY	'90	9.00	19.00	86.88	10.4	1.0	16.50	2.25
SAUL (BF) RL	OC	'91	6.50	23.00	62.00	10.5	0.0	14.26	3.63
SAUL(BF) REI	OC	'90	8.00	15.50	74.00	10.8	0.0	11.47	3.63
STATE MUTUAL	AS	'91f	6.75	21.00	65.50	10.3	26.0	13.75	3.63
SUTRO MIT	NY	'82	6.75	20.00	84.00	8.0	-1.1	16.80	8.88
SUTRO MTG	AS	'91	6.75	20.00	76.00	8.9	0.7	15.20	8.88
TRI-SOUTH MI	OC	'92f	7.00	29.50	40.00	17.5	-9.0	11.80	1.50
US BANCORP	AS	'92	7.00	26.25	76.00	9.2	-0.2	19.95	9.88
US REALTY IN	NY	'89	5.75	20.20	66.50	8.6	1.5	13.43	4.88
WESTPORT CO	OC	'91f	6.75	21.00	52.00	13.0	0.0	10.92	2.00

CONVERSION PARITY IS PRICE AT WHICH THE SHARES WOULD HAVE TO SELL
TO JUSTIFY THE DEBENTURE PRICE.
f-TRADES FLAT

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
AMER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.03	2.75	737.5	0.0	0.0
ATICO MTG IN	A-ACOW	12/79	563	15.00	1.0	0.31	2.63	482.1	63.2	0.2
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.05	2.63	662.4	0.0	0.1
BENEF STD MT	A-BSMW	7/80	554	20.00	1.0	0.25	1.63	1142.3	177.8	0.1
CAPITAL MTG	O-CMORW	11/79	471	17.63	1.0	0.03	0.75	2254.7	0.0	0.0
FLATLEY RLY	O-PLTLW	5/78	1000	10.00	1.0	0.25	3.00	241.7	0.0	0.3
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	0.63	15.38	34.1	0.0	0.3
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.25	10.25	29.3	0.0	0.2
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.13	2.38	535.7	0.0	0.1
NATIONWID RE	O-NRELW	1/81	652	32.00	1.0	0.03	7.50	327.1	0.0	0.0
NORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.13	4.00	681.5	116.7	0.1
NOWSTRN FINC	O-NFINW	1/78	1510	18.06	1.1	0.10	7.75	134.2	0.0	0.2
REALTY REFIN	O-RRF5	8/78	328	23.00	1.0	0.13	21.00	10.1	0.0	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.06	2.25	791.6	-33.2	0.1
SAN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.81	14.75	75.0	12.5	1.1
SECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.06	3.88	313.9	0.0	0.2
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	0.94	8.88	135.8	-24.7	0.7
SUTRO MTG IN	O-SUTR5	4/78	299	22.00	1.0	0.12	8.88	149.1	0.0	0.0
UNITED RLY	A-URTW	12/79	3610	20.00	1.0	0.12	9.25	117.5	-51.9	0.4

*DEBENTURES USABLE IN LIEU OF CASH

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeros indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\$*". Cash flow derived from amortization of debt discount is denoted by "\$@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

Trusts are grouped into nine categories under three major groupings to facilitate comparison. The category used for each trust is shown in RELATIVE APPEAL RANKINGS. **Equity and combination** groups include Equity trusts with over 80% of invested assets in direct ownership of completed income producing properties; **Equity & Mortgage combination** which balance investments between equity ownership and mortgages; and **Subordinated Land trusts**, investing primarily in ownership of land beneath income producing properties and leased to building operators.

Short-term mortgage groups invest primarily in mortgages under three years maturity, mainly construction, land development and other interim loans. They are grouped by sponsorship as follows: **Mortgage banker**; **Independent**; **Commercial bank**; and **Miscellaneous financial institutions.** **Intermediate & long-term mortgage** groups are classed as intermediate-term for those whose predominant holdings mature in three to 10 years; and **long-term** for those with loans maturing in over 10 years, and generally with some equity investments.

EARNINGS TRENDS: THE NEWS KEEPS GETTING BETTER FOR MOST TRUSTS

Net income and operating income both declined a bit from the previous quarter in last month's earnings reports from 31 trusts. But the trusts are strongly ahead of last year and while gains on asset swaps to banks continue to shrink, a close reading of reports makes clear that many little things -- asset sales at good capital gains, interest recoveries, reversals of loss provisions -- are going in favor of many trusts. It's this undertone of optimistic events that suggests that 1978 will be another year of steady recovery, barring only a surge in short-term interest rates over the 10% level. Our tally for 31 trusts with quarters ending Sept. through December, in millions of dollars:

	Latest qtr.	Prev.qtr.	Year-ago	--% Change from--	
				Prev.qtr.	Yr.ago
Oper. income (loss) after prov.	\$(11.9)M	\$(6.9)M	\$(48.3)M	+72%	-75%
Extra items: Capital gains.....	1.4	1.5	0.8	-12	+70
Gain on asset exchanges.....	12.6	20.5	43.2	-38	-71
Other (severance gains, etc.)	0.5	0.4	--	+34	--
Net extraordinary items...	14.5	22.4	44.0	-35	-67
NET INCOME (LOSS).....	\$ 2.7M	\$15.5M	\$(4.3)M	-83%	NC
NC--Not calculated, loss in one quarter.					

Mortgage Trust of America's experience in its Nov. 1977 quarter, last of its fiscal year, is becoming more typical. MTA swung from a 19¢/sh. loss to 25¢/sh. profit in the quarter as a result of several favorable factors: 9¢/sh. came from sale of properties at capital gains; 7¢/sh. came from reversal of amounts previously provided in the loss reserve; and about 10¢/sh. from restoring \$19 million investments to earning status in the quarter. In addition the trust collected unspecified amounts of delinquent interest on loans either repaid or restructured in the quarter. These improved results are leading MTA to begin talking to its banks about restructuring its financing to let the trust begin making a limited amount of new commitments.

Similar experience is reported at U.S. Bancorp R&M where a 10¢/sh. loss reported in the Nov. quarter doesn't appear to reflect underlying improvement. The trust sold three marginally performing office buildings at a 3¢/sh. loss subsequent to the quarter's end. Non- and partially earning assets were reduced 16% during the Nov. quarter and the trust in addition is negotiating to sell its largest non-earning foreclosed property, a California mobile home park, in a deal which would return the \$3.0 million investment to earning status more rapidly than anticipated but at a greater loss. The trust also signed a new credit agreement letting it prepay a \$3 million subordinated note held by its sponsor.

Fraser Mtg. earnings were unchanged from the previous quarter at 25¢/sh. in November but the trust reported it had granted an option to purchase its 3,020-acre parcel in Stuart, Fla. on a basis profitable to the trust. The \$2.9 million investment has been nonearning and drags earnings by about 6¢/sh. per quarter. Hamilton Inv. and UMET Trust both reported completing asset swaps that will further reduce their nonearning loans.

Beneficial Std. Mtg. narrowed its loss to 6¢/sh. in the Oct. quarter, vs. 90¢/sh. in the previous quarter. No additions were made to the loss reserve; the trust is separating from its sponsor and becoming internally administered. Barnes Mtg. narrowed its loss in the Sept. 1977 fiscal year to \$1.47/sh. from \$2.16/sh., the loss coming after a 20¢/sh. gain from swapping single-family mortgages with two bank lenders. Barnett Winston Inv. also narrowed its loss to \$1.32/sh. from \$8.25/sh. for its Sept. 1977 fiscal year. The 1977 results included \$1.77/sh. extraordinary gains from asset sales and swaps. The trust is continuing to discuss swaps with its four

New Earnings Reports

Trust-Period ending	Th. \$	Per sh.	Per share Prev. qtr.	Yr. ago	% Chng. from Prev. qtr.	Yr. ago
Quarterly results:						
Atlanta Nat. RE...Nov....	\$156	\$0.12	\$0.41	\$0.30	Better	Better
BT Mtg. Inv.....Sept....	d648	d0.31	d0.26	d2.70	Worse	Better
Barnes Mtg. Inv.....Sept....	d1,152	d0.60	d0.30b	d1.13	Worse	Better
Bay Colony Prop.....Nov....	d220	d0.07	d0.01	0.60c	Worse	Worse
Benef. Std. Mtg.....Oct....	d 78	d0.06	d0.90b	d0.18	Better	Worse
Builders Inv. Gr.....Sept....	1,573b	0.54b	0.69b	44.57	-22%	Better
Chase Man. M&R.....Nov....	d8,256b	d1.69b	0.39b	0.82b	Worse	Worse
C.I. Realty Inv.....Nov....	d215	d0.08	d0.13	d0.06a	Better	Worse
CleavageTrust Rlty.....Sept....	d1,742	d0.69	d0.20	0.15a	Worse	Worse
ConnGen. M&R.....Dec....	1,836	0.32	0.39	0.32	-18	UC
Cousins M&E.....Nov....	d378b	d0.10b	0.60b	d0.40b	Worse	Better
First Denver Mtg.....Dec....	4,150b	2.56b	d0.7b	d0.19	Worse	Better
First Mtg. Inv.....Oct....	2,903b	0.34b	0.17b	0.31b	+100	+10
First Union RE.....Oct....	1,118	0.21e	0.21e	0.21	UC	UC
Fraser Mtg. Inv.....Nov....	256	0.25	0.25	0.24	UC	+ 4
GMR Props.....Nov....	d389b	d0.18b	d0.18b	d0.26b	UC	Better
GREIT Realty.....Oct....	221	0.22	0.21	0.12a	+ 5	+83
Guardian Mtg.....Nov....	d3,545b	d1.18b	d0.87b	1.48b	Worse	Worse
Hanover Sq. Rl.....Nov....	298a	0.31a	0.04	d0.17	NM	Better
Lomas & Net. Mtg.....Dec....	1,545	0.42	0.40	0.21	+ 5	+100
Mtg. Tr. Amer.....Nov....	957a	0.25a	d0.19	d0.13	Better	Better
NW Mut. Lf. Mtg.....Dec....	792	0.17	0.30a	0.22	-43	-23
Penn. REIT.....Nov....	1,237a	0.82a	0.72c	0.29	+ 5*	+21*
PNB Mtg. & Rl.....Dec....	525	0.22	0.20a	0.13	+10	+69
REIT of Amer.....Nov....	767a	0.49a	0.29	0.25	+ 3*	+12*
Sutro Mtg. Inv.....Dec....	286a	0.12a	0.32b	0.01	-41*	+1100
Tri-South Mtg.....Dec....	d1,388	d0.61	d0.65	0.52b	Better	Worse
United Realty.....Nov....	706	0.20	0.20	0.17	UC	+18
U.S. Bancorp R&M.....Nov....	d 86a	d0.10a	0.04	d0.29	Worse	Better
Wells Fargo M&E.....Dec....	1,515	0.39	0.31a	0.27	+26	+44
Westport Co.....Oct....	232c	0.10c	0.09b	d0.57	+10	Better
Annual results:						
BT Mtg. Inv.....Sept....	d1,646	d0.78	---	d4.04	---	Better
Barnes Mtg.....Sept....	d2,805f	d1.47f	---	d2.16	---	Better
Builders Inv. Gr.....Sept....	8,639f	2.95f	---	d4.92	---	Better
CleavageTrust Rlty.....Sept....	d3,031	d1.20	---	d0.40	---	Worse
First Denver Mtg.....Sept....	4,180	2.58f	---	d2.79	---	Better
First Union RE.....Oct....	4,113	0.86e	---	0.86	---	UC
GREIT Realty.....Oct....	689	0.69	---	0.58	---	+19
Mtg. Tr. Amer.....Nov....	4979	d0.25	---	d1.51	---	Better
REIT of Amer.....Nov....	2,270f	1.39f	---	1.15f	---	-10*
Tri-South Mtg.....Dec....	d1,679f	d0.74f	---	d1.07f	---	Better
United Realty.....Nov....	2,768	0.77	---	0.62	---	+24
Westport Co.....Oct....	261f	0.11f	---	d2.19	---	Better

UC—Unchanged. NM—Not meaningful. * Compared before capital gains and loss reserve adjustments. Where loss reported in one or both quarters, change in direction is shown as "Better" or "Worse." r—Restated. d—Loss. p—Preliminary.

a-Capital gains or losses on asset sales as follows in quarterly results:

C.I. Realty, 3c/sh. in year-ago qtr.; CleavageTrust, 25c/sh. in year-ago; GREIT Realty, 10c/sh. in year-ago; Hanover Sq., \$346T or 37c/sh. in latest qtr.; Mtg. Tr. Amer., \$332T or 9c/sh. in latest; NW Mut. Life, 15c/sh. in previous; Penn REIT, \$179T or 47c/sh. in latest; PNB Mtg., 10c/sh. in previous; REIT of Amer., \$314T or 19c/sh. in latest; Sutro, \$12T or 0c/sh. in latest; 12c/sh. in previous; U.S. Bancorp, \$24T loss or d3c/sh. in latest. b-Asset swap gains, tax

b-Asset swap gains, tax benefits from net operating losses (NOL), and gains from early retirement of debt at discounts are as follows in quarterly results:

Barnes, 3c/sh. in prev. qtr.; Benef. Std., \$1.14/sh. in prev. qtr.; Builders, d\$1.145 million or d39c/sh. in latest; gains of \$2.93/sh. and \$1.92/sh. in prev. & year-ago; Chase Man., \$166T or 3c/sh. in latest; \$1.62/sh. debt restructuring in prev. and 88c/sh. swaps in year-ago; Cousins, \$2.566M or 66c/sh. in latest; 25c/sh. and 29c/sh. in prev. & year-ago; First Denver, \$4.109M or \$2.53/sh. in latest; \$2.76/sh. in prev.; First Mtg., \$4.830M or 57c/sh. in latest; 33c/sh. and \$1.43/sh. in prev. and year-ago; GMR Prop., \$417T or 19c/sh. in latest; 10c/sh. in prev. and 19c/sh. in year-ago; Guardian, \$1.348M or 45c/sh. in latest; 34c/sh. in prev. and \$3.91/sh. in year-ago; Tri-South, \$2.30/sh. in year-ago; Westport, \$24c/sh. in previous.

c-Items not classified above: Bay Colony, 88c/sh. debt restructuring in year-ago qtr.; Penn. REIT, 35c/sh. accounting change in prev.; Westport, \$532T or 22c/sh. gain on severance benefits from former adviser in latest qtr.

e-After preferred dividends.

f-Annual results include: Barnes, \$384T or 20c/sh. swap gains in latest year; Builders, \$32.648M or \$11.15/sh. swap gains in latest year, and \$4.92/sh. swap gains in prev. year; First Denver, \$4.81M or \$2.76/sh. in latest yr.; REIT Amer., \$592T or 36c/sh. capital gains in latest year, and 1c/sh. gains in previous; Tri-South, \$6.134M swap gain and \$904T capital gains in latest year, equal to \$2.71/sh. and 40c/sh.; and \$4.42/sh. swap gains in prev. year; Westport, \$2.270M swap gains and \$532T severance gains, equal to 95c/sh. and 22c/sh. respectively in latest year.

remaining creditor banks, after which it will present a plan for dealing with its subordinated debentures.

Among institutional trusts, Connecticut General Mtg. & Rlty. reported earning 32c/sh. in the Dec. 1977 quarter, the same as last year but down from the previous quarter which had benefitted from some special items. Funds available for distribution, as calculated by the trust, rose to 45c/sh. from 41c/sh. in 1976, and is considered by the trust as a measure of dividend paying ability. CGM committed \$13.1 million for five new investments in the quarter. Nonearning assets are down to 5.1% of the total from 7.0% a year ago. Northwestern Mutual Life Mtg. earnings fell to 17c/sh. in the December quarter, down from a 30c/sh. level in the previous quarter that had included a 15c/sh. capital gain. The trust added 2c/sh. to its loss reserve in the quarter, and is continuing to make new commitments. Equitable Life Mtg. continued its regular 55c dividend for the January quarter, not yet completed.

Lomas & Nettleton Mtg. reported a modest gain to 42c/sh. in the Dec. quarter, result of slightly higher earning assets and lower nonearning assets. Wells Fargo M&E shot ahead to 39c/sh. earnings in the Dec. quarter, up sharply, but the gain was aided by 6c/sh. capital gain and 12c/sh. recovery of past-due interest. The prior year quarter included 8c/sh. interest recovery. These earnings are not fully recurring but must be paid as dividends.

Among property trusts, REIT of America reported earning \$1.39/sh. in its Nov. 1977 fiscal year including 36c/sh. capital gains on sales of a South Pasadena, Cal. apartment and a

Los Angeles industrial parcel. Ex the capital gains, operating income declined 10% for the year to \$1.03/sh. The trust stands to lose about 17c/sh. income from a downtown Detroit retail store when a 75-year-old lease expires June 30, 1978 and the antiquated building is razed in accordance with the lease. Gains at its two California shopping centers, including one recently expanded, are expected to take up only part of the slack. Pennsylvania REIT earnings of 82c/sh. in the Nov. quarter included 47c/sh. gain on sale of apartments, continuing the trend of lightening up the trust's position in rental units. C.I. Realty reported losing 8c/sh. in the Nov. quarter but the big play is leases taking effect in the Feb. 1978 quarter. These leases, including three recently signed, will add \$2.8 million to base annual rents (excluding escalations) and bring occupancy at the trust's two major New York City office buildings to 95% from 75% at the end of Aug. 1977. Refinancing of the 485 Lexington Ave. office being discussed could bring \$9.6 million new cash to repay bank debt. Continental Illinois Props. has terminated discussions to sell its Carson, Cal. mall while American Realty sold unimproved land in Anne Arundel Co., Md. for approx. \$2 million over cost.